



INNOVATIVE PROCUREMENT TAILORED TO MARKET CONDITIONS

MERRIMAC STATION

The Merrimac Station is one of three new rail stations to be delivered as part of the New Gold Coast Stations (NGCS) Program by the Cross River Rail Delivery Authority (CRRDA). The project consisted of the design and construction of the new Merrimac train station and supporting infrastructure. The new station was required to integrate effectively with the surrounding urban environment and facilitate high-quality connections to other transport modes.

The Challenge

The key objectives of the project were to:

- deliver a train station that was safe, comfortable, accessible, cost-efficient, and practical to construct and maintain.
- ensure the new station is open in time for the first Cross River Rail Project Services to the Gold Coast.
- implement the project without disruption to the operation of the existing rail line.
- ensure value for money.

Previous experience within the NGCS Program had demonstrated a lack of participation by the construction contractor market if procurement processes were not structured appropriately. This had resulted in a single participant on a previous project despite the market previously indicating strong interest in the program.

Changes to traditional procurement processes and contract forms were required to ensure appropriate competition, meet project timeframes, and maximise value under those contemporary market conditions.

Key Achievements



A procurement approach that ensured industry interest and active participation

Challenge:

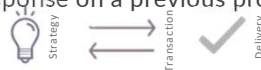
Lack of appetite from the industry to tie-up tendering resources in a lengthy process with limited chances of success.

Solution:

- Three staged rapid procurement process consisting of:
 - open market Registration of Interest (RoI) focussed on corporate capability and acceptance of commercial framework.
 - shortlisted Request for Tender (RfT) focussed on personnel capability and financial offer.
 - single Early Contractor Involvement (ECI) to develop technical solution that met project and client requirements.

The procurement process resulted in nine (9) RoI responses when compared to a single (1) response on a previous project.

KEY SERVICES DELIVERED



Delta's Approach

Undertook additional specific market engagement to understand the market's concerns with the traditional procurement processes and contract forms that were initially proposed for the projects under the NGCS Program.

Engaged closely with internal CRRDA and other key state government stakeholders to understand the other constraints impacting the procurement of the project.

Developed an innovative procurement process that was specifically structured to maximise competition and target key aspects at appropriate points during the process. Also implemented a revised contract model to minimise inappropriate risk pricing and maximise value from the procurement.

Key Elements

\$ <250M
Total contract value

QUEENSLAND
Gold Coast

2022-2023
12-months

ITC
Collaborative contracting



A contract model that maximised competition and value

Challenge:

Developing a contract model that provided an appropriate balance of risk allocation and that incentivised performance in achieving the project objectives.

Solution:

An Incentivised Target Cost (ITC) collaborative contracting model.

This was based on the QR Major Works contract and incorporated a pain-gain share mechanism and incentivised Key Performance Indicators (KPIs).

The balanced and collaborative risk allocation and cost-sharing mechanisms ensured a best-value pricing outcome and a focus on minimising inefficiencies. The results-driven KPIs targeted key project outcomes such as project completion within the required timeframe.

